## Message Text

UNCLASSIFIED

PAGE 01 USUN N 03943 020303Z

64

**ACTION IO-10** 

INFO OCT-01 ARA-10 EUR-12 ISO-00 AF-06 EA-09 NEA-10 OIC-02

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FRB-01 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05

PA-02 AID-05 CIEP-02 SS-15 STR-04 TAR-01 TRSE-00

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**UNCLAS USUN 3943** 

E.O. 11652: N/A

TAGS: UN EGEN ETRD BR

SUBJ: SEVENTH SPECIAL SESSION: BRAZILIAN PROPOSAL

1. SUMMARY: BRAZILIAN MEA SILVEIRA, IN FIRST OF THE PLENARY SPEECHES, PROPOSED THAT THE CURRENT INTERNATIONAL ECONOMIC STRUCTURE BE ENHANCED THROUGH THE ESTABLISHMENT OF NEW RULES FOR NORTH-SOUTH TRADE AND BY PROVIDING A NEW POLITICAL AND LEGAL FRAMEWORK FOR SPECIFIC NEOGITATIONS. AN AGREEMENT, IN THE GOB VIEW, SHOULD COVER THE PRIORITY SUBJECTS OF ACCESS AND PRICES, ALTHOUGH THIS MIGHT BE EXPANDED IN TIME. DA SILVEIRA DID NOT, AS HAD BEEN EXPECTED, CALL FOR A SPECIFIC CONFERENCE ON THE PROPOSAL. END SUMMARY.

2. IN THE FIRST OF THE PLENARY SPEECHES AT THE 7TH SPECIAL SESSION, BRAZILIAN MINISTER FOR EXTERNAL RELATIONS SILVEIRA, OUTLINED THE NEED FOR NEW RULES TO GOVERN NORTH-SOUTH ECONOMIC AFFAIRS. HE PROPOSED THEY BE EMBODIED IN A NEW INTERNATIONAL UNCLASSIFIED

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PAGE 02 USUN N 03943 020303Z

AGREEMENT. FULL TEXT OF SPEECH WILL BE POUCHED. FOLLOWING

## IS SUMMARY OF PROPOSAL:

- 3. HE STATED THAT INTERNATIONALLY THERE ARE TWO LEVELS OF ECONOMIC RELATIONSHIPS; THAT AMONG THE INDUSTRIALIZED COUNTRIES, WHERE THERE IS A RELATIVELY EFFECTIVE FRAMEWORK OF RULES; AND THAT AMONG THE DEVELOPED: DEVELOPING WHERE "A VIRTUAL 'LAISSEZ FAIRE' PREVAILS," LEAVING THE LATTER BEHIND. RELATIONS AMONG THE DEVELOPING COUNTRIES ARE GOVERNED BY TRADE AND FINANCIAL SYSTEMS ESTABLISHED AT THE END OF WWII. THE RULES ESSENTIALLY HAVE MIRRORED THE INTERESTS OF THE ADVANCED ECONOMIES AND THE SYSTEM HAS MET ITS GOALS; "TO PROTECT THE ECONOMY OF DEVELOPED COUNTRIES FROM THE INTERNATIONAL PROPAGATION OF CRISES AND FROM POLICIES OF COMPETITIVE DEVALUATIONS AND CHAIN PROTECTIONIST MEASURES...."
- 4. IN CONTRAST THERE NEVER HAVE BEEN SPECIFIC RULES BETWEEN DEVELOPED AND DEVELOPING COUNTRIES THAT REFLECT "THE PARTICULAR SOCIO-ECONOMIC CONDITIONS." NOR DO THE EXISTING RULES SUIT THE ECONOMIC RELATIONS AMONG UNEQUAL PARTNERS.
- 5. THE ENERGY CRISIS HAS BROUGHT ABOUT A REAL QUANTITATIVE CHANGE AND, WHATEVER ITS ORIGIN, WHAT IS "UNDENIABLE IS THE DESTABILIZING POTENTIAL OF THE EXISTING INTERNATIONAL DIVISION OF LABOR" AND THE RISK TO THE WORLD ECONOMY. THE LESSON--A FRAMEWORK OF RULES LIMITED ONLY TO THE INDUSTRIALIZED PORTION CAN NO LONGER STABILIZE THE THE WORLD ECONOMY.
- 6. ACCORDINGLY, THE BRAZILIAN DELEGATION PROPOSES THAT "WE ENDEAVOR TO NEGOTIATE A GENERAL AGREEMENT ON TRADE BETWEEN DEVELOPED AND DEVELOPING COUNTRIES (WHICH) WOULD GIVE US A POLITICAL AND LEGAL FRAMEWORK FOR SPECIFIC NEGOTIATIONS...." THESE WOULD NOT INTERFERE WITH EXISITING FORA, E.G. GATT.
- 7. GOB PROPOSED AGREEMENT WOULD GO BEYOND SIMPLY REGULATION OF COMMODITY TRADE, BUT WOULD BE LIMITED TO INTERNATIONAL TRADE STRICTU SENSU. SPECIFICALLY EXCLUDED ARE TECHNOLOGY UNCLASSIFIED

UNCLASSIFIED

PAGE 03 USUN N 03943 020303Z

TRANSFER, MARITIME TRANSPORT AND INTERNATIONAL MONETARY REFORM. THE GOB SUGGESTS AN INSTRUMENT REPRESENTING THE INTERPLAY OF RECIPROCAL CONCESSIONS "CONSOLIDATED IN A LEGAL DOCUMENT OF BINDING VALUE,"

8. THE AGREEMENT WOULD COVER TWO PRIORITY SUBJECTS, ACCESS AND PRICES. IT WOULD BE THE RESULT OF THE NEGOTIATIONSOF RULES WHICH WOULD MAKE POSSIBLE,-ON THE

\_"H8<0Q7+4=.CQW#S;B90)G9@UN0QHM <7Q0J,(4HX <09.RYPD#R7J)A/.F8<#@F

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Subject: SEVENTH SPECIAL SESSION: BRAZILIAN PROPOSAL

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